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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP

Chairman

GARY PIERCE

Commissioner

BRENDA BURNS

Commissioner

BOB BURNS

Commissioner

SUSAN BITTER SMITH

Commissioner

Arizona Corporation Commission

DOCKETED

OCT 25 2013

DOCKETED BY

IN THE MATTER OF ARIZONA PUBLIC
SERVICE COMPANY REQUEST FOR
APPROVAL OF UPDATED GREEN POWER
RATE SCHEDULES GPS-1, GPS-2, AND GPS-3

DOCKET NO. E-01345A-10-0394

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY FOR
APPRVAL OF ITS 2013 RENEWABLE ENERGY
STANDARD IMPLEMENTATION FOR RESET OF
RENEWABLE ENERGY ADJUSTOR

DOCKET NO. E-01345A-12-0290

IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
APPROVAL OF ITS 2013 RENEWABLE ENERGY
STANDARD IMPLEMENTATION PLAN AND
DISTRIBUTED ENERGY ADMINISTRATIVE
PLAN AND REQUEST FOR RESET OF ITS
RENEWABLE ENERGY ADJUSTOR

DOCKET NO. E-01933A-12-0296

IN THE MATTER OF THE APPLICATION OF UNS
ELECTRIC, INC. FOR APPROVAL OF ITS 2013
RENEWABLE ENERGY STANDARD
IMPLEMENTATION PLAN AND DISTRIBUTED
ENERGY ADMINISTRATIVE PLAN AND
REQUEST FOR RESET OF ITS RENEWABLE
ENERGY ADJUSTOR

DOCKET NO. E-04204A-12-0297

DECISION NO. 74164

ORDER

Open Meeting
October 16 and 17, 2013
Phoenix, Arizona

BY THE COMMISSION:

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FINDINGS OF FACT

1
2 1. Arizona Public Service Company ("APS") is certificated to provide electric service
3 as a public service corporation in the State of Arizona.

4 2. On August 23, 2013, APS asked the Arizona Corporation Commission
5 ("Commission") for authorization to reallocate approximately \$24.6 million of Production Based
6 Incentive ("PBI") funding to its Expanded Third Party Schools and Government Program
7 ("Program"). APS explained that the reallocation was needed in order to install the remaining
8 approved 8.75 MWac of the Program.

9 3. The Commission authorized APS to provide third-party PBI funding to finance
10 18.75 MWac of third-party owned distributed generation for schools and government entities in
11 Decision No. 73636 (January 1, 2013).

12 4. The approved incentive levels for the Program were up to \$0.09 per kWh for 15
13 year contracts and up to \$0.085 per kWh for 20 year contracts, with individual project incentives
14 not to exceed 40 percent of the project's total cost.

15 5. As of the date of the APS filing, APS had awarded contracts for approximately 10
16 MWac of the total approved 18.75 MWac. The incentives have been awarded through competitive
17 solicitation, but the bids have not been as low as APS had expected from the Program. Therefore,
18 the funding approved by the Commission for the Program will not be sufficient to fund the
19 remaining 8.75 MWac authorized third-party program allocation.

20 6. APS, in its filing, is seeking authorization to reallocate \$24.6 million in authorized,
21 but as yet uncommitted, third-party PBI funds toward the funding of the remaining Commission-
22 approved 8.75 MWac of the Program.

23 7. APS believes that this funding will allow APS to award incentives to third-party
24 schools and government parties in future nomination periods up to the approved Program caps, if
25 needed.

26 Staff Recommendation

27 8. Staff has reviewed the APS application and the responses by APS to Staff's Data
28 Requests.

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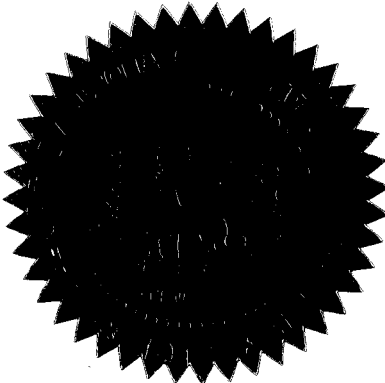
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ORDER

IT IS THEREFORE ORDERED that Arizona Public Service Company is authorized to reallocate \$24.6 million of previously authorized, but as yet uncommitted, Production Based Incentive Funding to the Expanded Third Party Schools and Government Program.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION
CHAIRMAN
COMMISSIONER
COMMISSIONER
COMMISSIONER
COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 25th day of October, 2013.


JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:RTW:lhmm\MAS

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